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ER 62-6668

12 September 1962

MEMORANDUM FOR: General Carter
Mr. Kirkpatrick

Col. White and Mr. Helms both recall a meeting with the House Appropriations CIA sub-committee during which Congressman Taber asked Mr. Dulles if Agency funds were being used to finance the tractor deal. Mr. Taber was given a negative reply. The Congressman then said that if the Agency was going to use its funds for such a purpose, we should not do so without checking with the committee. From this meeting Agency representatives came away with the firm impression that the committee did and would not approve our using our funds in the way described.

Later, the White House requested the Agency to pay a bill covering incidental expenses in connection with fund-raising for the tractor deal. General Cabell and Col. White called on Congressman Cannon with a letter on this subject. As a result of the meeting, the Agency did not pay the bill. We have never received a reply to the letter.

Col. White and Helms believe we are still bound by the original injunction not to use our funds in any ransom deal without prior Congressional approval.

[redacted] did not attend any of these meetings.

[redacted]

STATINTL

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NOTES ON MEETING WITH SECRETARY OF STATE, ATTORNEY GENERAL, MR. BUNDY, AND GENERAL CARTER

1. At a meeting held yesterday evening, attended by Secretary Rusk, Attorney General Kennedy, Mr. Bundy, and General Carter, to discuss the Donovan proposal for the release of Cuban prisoners, the Attorney General suggested that Mr. McCone return to Washington within the next few days, the reason being that if a decision is made to use Government funds in part to meet the necessary expenses for the purpose of purchasing drugs to send to Cuba the only source of those funds appears to be this Agency. In order to obtain bipartisan support in Congress and in order to get Agency subcommittees' approval, it was thought that the Director should present the proposal to a selected group of Congressmen and Senators. Mr. Rusk and Mr. Bundy agreed. Before the Director is asked to return, however, Mr. Bundy and Mr. Rusk thought they should consult with Mr. Dulles, who was familiar with the background of the subcommittees' refusal to allow Agency funds to be used in the tractors for prisoners venture. Mr. Rusk had planned to see Mr. Dulles this morning.

2. As background for the present Donovan deal, it appears that the Attorney General and the Secretary of State would approve sending a shipment of drugs worth $25,000,000 at catalog prices. It is thought that this amount could be purchased for around $8,000,000 to $10,000,000. In addition, about $3,000,000 would have to be raised by the Committee through public appeal. Donovan would have to take this proposal to Havana to get a final decision.

3. Previously the Attorney General indicated that, if an approach is to be made to Congress for the funds, this would be done only with Presidential approval and support.

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ER –
~~Another~~ Two old ones.
File with whatever
you have regarding
exchange of the Cuban
prisoners.

BG

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